



SECRETARY OF STATE

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 17 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAY - 5 2004



Kevin Shelley
Secretary of State

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MERGER AGREEMENT

FILED
In the office of the Secretary of State
of the State of California

MAY 08 1997

Bill Jones
Secretary of State

THIS MERGER AGREEMENT (this "**Agreement**") is executed as of May 8, 1997 by and among G/S Acquisition Subsidiary, a California corporation (the "**Merging Corporation**"), StarSight Telecast, Inc., a California corporation (the "**Surviving Corporation**"), which corporations are hereinafter sometimes referred to jointly as the "**Constituent Corporations**," and Gemstar International Group Limited, a British Virgin Islands corporation ("**Parent**").

BACKGROUND

A. The Merging Corporation is a corporation duly organized and existing under the laws of the State of California. The Surviving Corporation is a corporation duly organized and existing under the laws of the State of California. The Parent is a corporation duly organized and existing under the laws of the British Virgin Islands.

B. The Merging Corporation has authorized capital stock consisting of 1,000 shares of common stock, \$.01 par value, of which 100 shares are now validly issued, are fully paid and nonassessable and are owned by Parent.

C. The Surviving Corporation has authorized capital stock consisting of the 50,000,000 shares of common stock, no par value, of which 25,613,145 shares were now validly issued, fully paid and nonassessable as of the Record Date for the Special Meeting of Shareholders at which the Surviving Corporation's Shareholders approved the transaction contemplated by this Agreement.

D. The Merging Corporation and the Surviving Corporation desire to effect a merger (the "**Merger**") of the Merging Corporation with and into the Surviving Corporation in the manner herein set forth, and the Board of Directors of the Constituent Corporations have duly adopted resolutions approving this Merger Agreement (the "**Agreement**").

E. The Merging Corporation, the Surviving Corporation and Parent have entered into that certain Agreement and Plan of Merger dated as of December 23, 1996 (the "**Agreement of Merger**") pursuant to which the parties agreed to the Merger of the Merging Corporation with and into the Surviving Corporation and the conversion in the Merger of each issued and outstanding share of common stock, no par value, of the Surviving Corporation ("**Surviving Corporation Common Stock**") into ordinary shares, par value \$.01 per share, of the Parent ("**Parent Common Stock**"). This Merger Agreement is being filed pursuant to the Agreement of Merger.

In consideration of the foregoing premises, and the mutual covenants and agreements herein contained, it is hereby agreed as follows:

ARTICLE I PARTIES TO THE MERGER

Section 1 The Merging Corporation. The name of the corporation proposing to merge into the Surviving Corporation is G/S Acquisition Subsidiary.

Section 2 The Surviving Corporation. The name of the corporation into which the Merging Corporation proposes to merge is StarSight Telecast, Inc. and StarSight Telecast, Inc. will be the corporation surviving the Merger.

Section 3 Parent. The Merging Corporation is a wholly-owned subsidiary of Parent, and cash and shares of Parent Common Stock will be issued in the Merger to the holders of common stock of the Surviving Corporation.

ARTICLE II TERMS AND CONDITIONS OF THE MERGER

Section 1 General. Upon the Effective Time (as defined below) of the Merger: (a) the Merging Corporation shall merge with and into the Surviving Corporation, which shall survive the Merger and continue to be a California corporation; (b) the shares of common stock of the Surviving Corporation outstanding upon the Effective Date of the Merger shall be converted into the right to receive a certain number of shares of Parent Common Stock; (c) the separate existence of the Merging Corporation shall cease, as provided by the Corporations Code of the State of California (the "CCC"); and (d) the name of the Surviving Corporation shall remain StarSight Telecast, Inc.

Section 2 Effective Time. The "Effective Time" with respect to the Merger contemplated by this Agreement shall be the date on which this Agreement is filed with the California Secretary of State, together with any required officers' certificates of each Constituent Corporation.

Section 3 Additional Actions. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its rights, title or interest in, to or under any of the rights, properties or assets of either Constituent Corporation or otherwise to carry out this Agreement, the officers and directors of the Surviving Corporation shall be authorized, so long as such action is consistent with this

Agreement, to execute and deliver, in the name and on behalf of each Constituent Corporation, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each Constituent Corporation, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement.

ARTICLE III CONVERSION OF CAPITAL STOCK

At the Effective Time, by virtue of the Merger and without any action on the part of Parent, the Merging Corporation, the Surviving Corporation, or the holders of any shares of the Merging Corporation's capital stock or any shares of the Surviving Corporation's capital stock:

(a) **Capital Stock of the Merging Corporation.** Each share of the capital stock of the Merging Corporation issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and nonassessable share of Surviving Corporation Common Stock. Each stock certificate of the Merging Corporation evidencing ownership of any such shares shall be exchanged to evidence ownership of such shares of Surviving Corporation Common Stock.

(b) **Cancellation of Treasury Stock and Parent Owned Stock.** Each share of Surviving Corporation Common Stock that is owned by the Surviving Corporation or by any subsidiary of the Surviving Corporation and each share of Surviving Corporation Common Stock that is owned by Parent, the Merging Corporation or any other subsidiary of Parent immediately prior to the Effective Time shall automatically be cancelled and retired without any conversion thereof and no consideration shall be delivered with respect thereto.

(c) **Conversion of Common Stock.** Each share of Surviving Corporation Common Stock issued and outstanding as of the Effective Time, other than shares to be cancelled in accordance with Subsection (b) and any Dissenting Shares (as defined and to the extent provided in paragraph (n) below) shall be converted, subject to paragraphs f and k, into .6062 shares (the "Exchange Ratio") of Parent Common Stock.

(d) **Stock Options: Surviving Corporation Employee Stock Purchase Plan.** At the Effective Time, all options to purchase Common Stock (each, a "Surviving Corporation Option") then outstanding under the Surviving Corporation's 1989 Stock Incentive Program (the "Stock Option Plan") shall be assumed by Parent. At the Effective Time, Surviving

Corporation shall terminate the Surviving Corporation's Employee Stock Purchase Plan (the "**Surviving Corporation Purchase Plan**").

(e) **Conversion of Warrants.** Each stock purchase warrant issued by the Surviving Corporation to purchase shares of Surviving Corporation Common Stock (collectively, the "**Warrants**") shall, in accordance with its terms, be adjusted (an "**Adjusted Warrant**") to become exercisable for, or exchangeable for a new warrant (on substantially the same terms) that would be exercisable for, the number of shares of Parent Common Stock equal to the Warrant Conversion Number (as defined below). The exercise price of any Adjusted Warrant (the "**Adjusted Exercise Price**") shall be an amount equal to the exercise price of the Warrant related to such Adjusted Warrant as of the date of this Agreement divided by the Exchange Ratio. The "**Warrant Conversion Number**" for any Adjusted Warrant shall be equal to the number of shares purchasable pursuant to the Warrant related to such Adjusted Warrant as of the date of this Agreement multiplied by the Exchange Ratio.

As of the Effective Time, all such shares of the Surviving Corporation Common Stock shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and the holders of certificates or instruments previously evidencing such shares of Surviving Corporation Common Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect thereto except as otherwise provided herein or by law. Each certificate previously representing the Surviving Corporation Common Stock shall thereafter represent the right to receive a certificate representing the shares of Parent Common Stock into which the Surviving Corporation Common Stock was converted in the Merger. Such certificates previously representing shares of the Surviving Corporation Common Stock shall be exchanged for certificates representing whole shares of Parent Common Stock issued in consideration therefor upon the surrender of such certificates in accordance with the provisions of this Article III, without interest. No fractional shares of Parent Common Stock shall be issued, and, in lieu thereof, a cash payment shall be made pursuant to this Article III.

(f) **Adjustment to Exchange Ratio.** If between the date of the Agreement of Merger and the Effective Time, the outstanding shares of Parent Common Stock or the Surviving Corporation Common Stock shall have been changed into a different number of shares or a different class by reason of any reclassification, recapitalization, split-up, stock dividend, stock combination, exchange of shares, readjustment or otherwise, then the Exchange Ratio shall be correspondingly adjusted.

(g) Exchange Agent. Parent shall deposit, or shall cause to be deposited, with ChaseMellon Shareholder Services, L.L.C., as exchange agent for Parent Common Stock (the "Exchange Agent") as of the Effective Time (or otherwise when requested by the Exchange Agent from time to time in order to effect any exchange pursuant to this Article III), for the benefit of the holders of shares of the Surviving Corporation Common Stock for exchange in accordance with this Article III through the Exchange Agent, certificates representing the shares of Parent Common Stock issuable pursuant to this Article III in exchange for outstanding shares of Surviving Corporation Common Stock, (such certificates representing shares of Parent Common Stock together with any dividends or distributions with respect thereto, being collectively referred to as the "Exchange Fund"), and cash in an amount sufficient for payment in lieu of fractional shares pursuant to this Article III. The Exchange Agent shall, pursuant to irrevocable instructions, deliver the Parent Common Stock contemplated to be issued pursuant to this Article III out of the Exchange Fund. Except as contemplated by this Article III, the Exchange Fund shall not be used for any other purpose.

(h) Exchange Procedure. As soon as reasonably practicable after the Effective Time, Parent shall instruct the Exchange Agent to mail to each holder of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of Surviving Corporation Common Stock (for convenience of reference, the certificates of the Surviving Corporation Common Stock are referred to as the "Certificates"), (i) a letter of transmittal (which shall be in customary form and shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of Parent Common Stock. Upon surrender of a Certificate for cancellation to the Exchange Agent, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Exchange Agent, and the holder of such Certificate shall be entitled to receive in exchange therefor a certificate evidencing that number of whole shares of Parent Common Stock which such holder has the right to receive in respect of the shares of Surviving Corporation Common Stock formerly evidenced by such Certificate (after taking into account the provisions of this Agreement and all shares of Surviving Corporation Common Stock then held of record by such holder, cash in lieu of fractional shares of Parent Common Stock to which such holder is entitled pursuant to this Article III and any dividends or other distributions to which such

holder is entitled, and the Certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of Surviving Corporation Common Stock which is not registered in the transfer records of the Surviving Corporation, a certificate representing the proper number of shares of Parent Common Stock may be issued to a person other than the person in whose name the Certificate so surrendered is registered, if such Certificate, accompanied by all documents required to evidence and effect such transfer, shall be properly endorsed with signature guarantee or otherwise be in proper form for transfer and the person requesting such payment shall pay any transfer or other taxes required by reason of the issuance of shares of Parent Common Stock to a person other than the registered holder of such Certificate or establish to the satisfaction of Parent that such tax has been paid or is not applicable. Until surrendered as contemplated by this Article III, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the certificate evidencing whole shares of Parent Common Stock, cash in lieu of any fractional shares of Parent Common Stock to which such holder is entitled pursuant to this Article III and any dividends or other distributions to which such holder is entitled pursuant to this Article III. No interest will be paid or will accrue on any cash payable pursuant to this Article III.

(i) Distributions with Respect to Unexchanged Shares. No dividends or other distributions declared or made after the Effective Time with respect to Parent Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of Parent Common Stock represented thereby, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to this Article III, in each case until the surrender of such Certificate in accordance with this Article III. Subject to the effect of applicable escheat laws, following surrender of such Certificate, there shall be paid to the holder of the certificate representing whole shares of Parent Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of any such cash payable in lieu of a fractional share of Parent Common Stock to which such holder is entitled pursuant to this Article III and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and with a payment date subsequent to such surrender payable with respect to such whole shares of Parent Common Stock.

(j) No Further Ownership Rights in Surviving Corporation Common Stock. All shares of Parent Common Stock issued upon the surrender for exchange of Certificates in accordance with the terms of this Article III (including any cash paid pursuant to this Article III) shall be deemed to have been issued (and paid) in full satisfaction of all rights pertaining to the shares of Surviving Corporation Common Stock theretofore represented by such Certificates, subject, however, to the Surviving Corporation's obligation to pay any dividends or make any other distributions with a record date prior to the Effective Time which may have been declared or made by the Surviving Corporation on such shares of Surviving Corporation Common Stock prior to the date of this Agreement and which remain unpaid at the Effective Time and have not been paid prior to surrender. At the Effective Time, the stock transfer books of the Surviving Corporation shall be closed, and there shall be no further registrations of transfers of shares of Surviving Corporation Common Stock, or transfer or exercise of the Warrants or Surviving Corporation Stock Options thereafter on the records of the Surviving Corporation. If, after the Effective Time, Certificates are presented to the Surviving Corporation, Parent or the Exchange Agent for any reason, they shall be cancelled and exchanged as provided in this Article III.

(k) No Fractional Shares.

(i) No Certificates or scrip representing fractional shares of Parent Common Stock shall be issued upon the surrender for exchange of Certificates, and such fractional share interests will not entitle the owner thereof to vote or to any rights of a shareholder of Parent.

(ii) Each holder of a Certificate issued and outstanding at the Effective Time who would otherwise be entitled to receive a fractional share of Parent Common Stock upon surrender of such Certificate for exchange pursuant to this Article III (after taking into account all Warrants, Surviving Corporation Stock Options and shares of Surviving Corporation Common Stock then held by such holder) shall receive, in lieu thereof, cash in an amount equal to the value of such fractional share, which shall be equal to the fraction of a share of Parent Common Stock that would otherwise be issued multiplied by the average closing price for a share of Parent Common Stock on the Nasdaq National Market (as reported in The Wall Street Journal) during the 20 consecutive trading days ending on the third trading day prior to the Effective Time.

(iii) As soon as practicable after the determination of the amount of cash, if any, to be paid

to holders of Certificates with respect to any fractional share interests, the Exchange Agent shall promptly pay such amounts to such holders of Certificates subject to and in accordance with the terms of this Article III.

(l) Termination of Exchange Fund. Any portion of the Exchange Fund that remains undistributed to the holders of Certificates for twelve months after the Effective Time shall be delivered to Parent, upon demand, and any holders of Certificates who have not theretofore complied with this Article III shall thereafter look as a general creditor only to Parent for payment of the shares of Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock and any dividends or distributions with respect to Parent Common Stock to which they are entitled.

(m) No Liability. None of Parent, Merging Corporation, Surviving Corporation or the Exchange Agent shall be liable to any holder of shares of Surviving Corporation Common Stock, the Warrants or Stock Options for any shares of Parent Common Stock (or dividends or distributions with respect thereto) or cash from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(n) Surviving Corporation Dissenting Shares.

(i) Notwithstanding any provision of this Agreement to the contrary, any shares of Surviving Corporation Common Stock held by a holder who has exercised dissenters' rights for such shares in accordance with the Corporations Code of California (the "CCC") and who, as of the Effective Time, has not effectively withdrawn or lost such dissenters' rights ("Dissenting Shares"), shall not be converted into or represent a right to receive Parent Common Stock pursuant to this Article III, but the holder thereof shall only be entitled to such rights as are granted by the CCC.

(ii) Notwithstanding the provisions of subsection (i), if any holder of Dissenting Shares shall effectively withdraw or lose (through failure to perfect or otherwise) his or her dissenters' rights, then, as of the later of the Effective Time or the occurrence of such event, such holder's shares shall automatically be converted into and represent only the right to receive Parent Common Stock, cash in lieu of any fractional shares of Parent Common Stock to which such holder is entitled pursuant to this Article III and any dividends or other distributions to which such holder is entitled pursuant to this Article III,

without interest thereon, upon surrender of the certificate(s) representing such shares.

(iii) The Surviving Corporation shall give Parent (i) prompt notice of any written demand received by the Surviving Corporation to require the Surviving Corporation to purchase shares of the Surviving Corporation's Common Stock pursuant to the applicable provisions of the CCC and (ii) the opportunity to participate in all negotiations and proceedings with respect to such demands. The Surviving Corporation shall not, except with the prior written consent of Parent, voluntarily make any payment with respect to any such demands or offer to settle or settle any such demands.

(o) Investment of Exchange Fund. The Exchange Agent shall invest any cash included in the Exchange Fund, as directed by Parent, on a daily basis. Any interest and other income resulting from such investments shall be paid to Parent.

(p) Lost, Stolen or Destroyed Certificates. In the event any Certificates shall have been lost, stolen or destroyed, the Exchange Agent shall issue in exchange for such lost, stolen or destroyed Certificates, upon the making of an affidavit of that fact by the holder thereof, such shares of Parent Common Stock, cash in lieu of fractional shares of Parent Common Stock to which such holder is entitled pursuant to this Article III and any dividends or other distributions to which such holder is entitled pursuant to this Article III.

ARTICLE IV ARTICLES OF INCORPORATION AND BYLAWS

Upon the Effective Time, the Articles of Incorporation of Surviving Corporation shall be amended to read as set forth in Exhibit 1 attached hereto. The name of the Surviving Corporation shall be StarSight Telecast, Inc.

ARTICLE V CORPORATE APPROVALS AND TERMINATION

Section 1 Corporate Approvals. Pursuant to Section 1201 of the CCC, this Agreement and related matters have been approved in accordance with such provisions.

Section 2 Termination.

(a) At any time prior to the Effective Time, this Agreement may be terminated by mutual written consent of Parent and the Surviving Corporation, if the Board of Directors of each so determines by the affirmative vote of a majority of the members of its entire Board of Directors.

(b) Notwithstanding the approval of this Agreement by the shareholders of the Merging Corporation and the Surviving Corporation, this Agreement shall terminate forthwith in the event that the Agreement of Merger shall be terminated as therein provided.

Section 3 Effects of Termination. In the event of the termination of this Agreement, this Agreement shall forthwith become void and there shall be no liability on the part of Parent, Merging Corporation or Surviving Corporation or their respective officers or directors, except to the extent otherwise provided in the Agreement of Merger.

ARTICLE VI GENERAL PROVISIONS

Section 1 Amendment. This Agreement may be amended by the parties hereto any time before or after approval hereof by the shareholders of the Surviving Corporation but, after such approval, no amendment shall be made which by law requires the further approval of such shareholders without obtaining such approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

Section 2 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

Section 3 Governing Law. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of California.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

STARSIGHT TELECAST, INC.,
a California corporation

By: 

Name: Larry W. Wangberg
Title: Chairman of the Board
of Directors and Chief
Executive Officer

By: 

Name: Martin W. Henkel
Title: Secretary

G/S ACQUISITION SUBSIDIARY,
a California corporation

By: 

Name: Henry C. Yuen
Title: President and Chief
Executive Officer

By: 

Name: Larry Goldberg
Title: Secretary

GEMSTAR INTERNATIONAL GROUP
LIMITED, a British Virgin Islands
corporation

By: 

Name: Henry C. Yuen
Title: President and Chief
Executive Officer

By: 

Name: Larry Goldberg
Title: Secretary

Exhibit 1

**ARTICLES OF INCORPORATION
OF
STARSIGHT TELECAST, INC.**

I

The name of the corporation is StarSight Telecast, Inc.

II

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The corporation is authorized to issue only one class of shares of stock; and the total number of shares this corporation is authorized to issue is one thousand (1,000) shares of Common Stock, par value \$.01 per share.

IV

The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

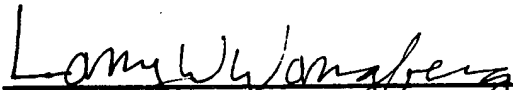
This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with agents, vote of shareholders or disinterested directors or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the corporation and its shareholders.

Any repeal or modification of the foregoing provisions of this Section V by the shareholders of this corporation shall not adversely affect any right of indemnification or limitation of liability of a director or officer of this corporation relating to acts or omissions occurring prior to such repeal or modification.

CERTIFICATE

Larry W. Wangberg and Martin W. Henkel certify that:

1. They are the Chairman of the Board of Directors and Chief Executive Officer and the Executive Vice President, Chief Financial Officer and Secretary, respectively of StarSight Telecast, Inc., a corporation organized under the laws of the State of California (the "Corporation").
2. The Corporation has authorized two classes of stock, designated "Common Stock" and "Preferred Stock."
3. The number of outstanding shares of Common Stock of the Corporation entitled to vote on the Record Date, March 17, 1997, for the Special Meeting of the Shareholders of the Corporation was 25,613,145 shares. There are no outstanding shares of Preferred Stock.
4. The principal terms of the agreement relating to the merger of G/S Acquisition Subsidiary, a California corporation, with and into the Corporation (the "Merger") in the form attached were approved by the Corporation's Board of Directors and by the vote of a number of shares of Common Stock which equaled or exceeded the vote required.
5. The percentage vote required of the holders of Common Stock entitled to vote in connection with the Merger is more than 50%.



Name: Larry W. Wangberg
Title: Chairman of the Board of
Directors and Chief Executive
Officer



Name: Martin W. Henkel
Title: Executive Vice President,
Chief Financial Officer and
Secretary

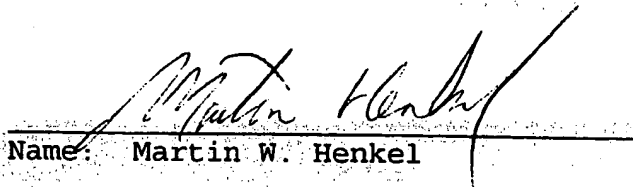
Larry W. Wangberg declares under penalty of perjury under the laws of the State of California that he has read the foregoing certificate and knows the contents thereof and that the same is true of his own knowledge.

May 8, 1997


Name: Larry W. Wangberg

Martin W. Henkel declares under penalty of perjury under the laws of the State of California that he has read the foregoing certificate and knows the contents thereof and that the same is true of his own knowledge.

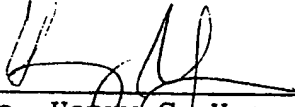
May 1, 1997


Name: Martin W. Henkel

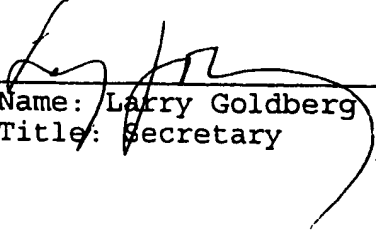
CERTIFICATE

Henry C. Yuen and Larry Goldberg certify that:

1. They are the President and Chief Executive Officer and the Secretary, respectively, of G/S Acquisition Subsidiary, a corporation organized under the laws of the State of California (the "Corporation").
2. The number of outstanding shares of common stock of the Corporation entitled to vote is 100 shares.
3. The principal terms of the agreement relating to the merger of the Corporation with and into StarSight Telecast, Inc., a California corporation, (the "Merger") in the form attached were approved by the Corporation's Board of Directors and by the vote of a number of shares of each class which equaled or exceeded the vote required.
4. The percentage vote required of the capital stock entitled to vote in connection with the Merger is more than 50%.
5. Equity securities of the Corporation's parent corporation, Gemstar International Group Limited, a corporation organized under the laws of the British Virgin Islands, are to be issued in the Merger and the required vote of the members of the parent corporation was obtained.



Name: Henry C. Yuen
Title: President and Chief
Executive Officer



Name: Larry Goldberg
Title: Secretary

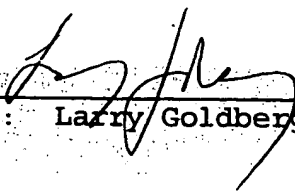
Henry C. Yuen declares under penalty of perjury under the laws of the State of California that he/she has read the foregoing certificate and knows the contents thereof and that the same is true of his own knowledge.

May 8, 1997


Name: Henry C. Yuen

Larry Goldberg declares under penalty of perjury under the laws of the State of California that he/she has read the foregoing certificate and knows the contents thereof and that the same is true of his own knowledge.

May 8, 1997


Name: Larry Goldberg



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
P.O. BOX 942857
SACRAMENTO, CA 94257-0541

TAX CLEARANCE CERTIFICATE

April 25, 1997

EXPIRATION DATE: July 15, 1997

O'MELVENY & MYERS
ATTN: ROBERT DAVIS
610 NEWPORT CENTER DRIVE
SUITE 1700
NEWPORT BEACH CA 92660-0000

ISSUED TO: G/S ACQUISITION SUBSIDIARY
Entity ID 1996530

This is to certify that all taxes imposed under the Bank and Corporation Tax Law on this corporation have been paid, assumed, or are secured by other means.

If a final return has not been filed, one should be filed within two months and 15 days after the close of the month in which the dissolution or withdrawal takes place. If the corporation was inactive, a statement to that effect should be attached to the tax forms. All returns remain subject to audit until the expiration of the normal statutory period. Failure to file required returns may result in additional assessments.

A copy of this Tax Clearance Certificate has been sent to the Office of the Secretary of State. This original Tax Clearance Certificate may be retained in the files of the corporation.

By the Expiration Date noted above, this corporation must have filed the documents required by the Secretary of State to dissolve, withdraw or merge. Requests for the appropriate documents must be directed to: Office of the Secretary of State at 1500 11th Street, 3rd Floor, Sacramento CA. 95814, or by telephone, (916) 657-5448.

NOTE: If the required documents are not filed with the Secretary of State prior to the Expiration Date noted above, the corporation will remain subject to the filing requirements of the Bank and Corporation Tax Law.

By H. Hermansen
Special Audit Unit
Corporation Audit Section
Telephone (916) 845-4124

COPY

